

81ST CONGRESS } 2d Session }	HOUSE OF REPRESENTATIVES {	REPORT No. 2698
---------------------------------	----------------------------	--------------------

PROVIDING A RECRUITMENT PROCEDURE FOR THE COMPETITIVE CIVIL SERVICE IN ORDER TO INSURE SELECTION OF PERSONNEL ON THE BASIS OF OPEN COMPETITION AND MERIT

JULY 20, 1950.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLER of California, from the Committee on Post Office and Civil Service, submitted the following

REPORT

[To accompany H. R. 8925]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 8925) to provide a recruitment procedure for the competitive civil service in order to insure selection of personnel on the basis of open competition and merit, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

- (1) Page 2, line 6, strike out "(b)." and insert in lieu thereof "(c)."
- (2) Page 2, line 8, strike out "Commission" and insert in lieu thereof "Commission, with the assistance of each department,".
- (3) Page 2, after line 11, insert the following:

"(b) Notwithstanding subsection (a), the Commission is authorized, at the direction of the President and during a national emergency declared by proclamation of the President or by concurrent resolution of the Congress, to modify or set aside the principle of open competition to the extent and for such time as it deems necessary in order to expedite and facilitate the recruitment of the best qualified and available personnel.
- (4) Page 2, line 12, strike out "(b)" and insert in lieu thereof "(c)".
- (5) Page 2, line 25, strike out "as the Commission deems necessary" and insert in lieu thereof the following: "as may be necessary for the Commission to discharge its duty and responsibility under this Act".
- (6) Page 3, strike out lines 1 to 12, both inclusive.
- (7) Page 4, line 23, strike out beginning with the word "or" down to the period in line 25.
- (8) Page 4, after line 25, insert the following:

(c) Whenever the Commission finds that the operations of a department under an approved employment plan are not in compliance with such plan or with the

civil-service rules and regulations, the Commission shall have authority (1) to recruit, examine, and certify persons for selection and appointment to competitive civil-service positions in such department which are subject to such plan, and (2) to modify or change any action taken or procedure followed by such department under such plan. The Commission shall certify to such department any such action taken by the Commission under this subsection. The department shall take action in accordance with such certificate and such certificate shall be binding on the department.

(9) Page 5, line 13, strike out beginning with the word "or" down to the period in line 17 and insert in lieu thereof the following:

or (2) by placing them in categories of outstanding, well-qualified, qualified, and unqualified. Except under unusual circumstances, category ratings shall be used in the case of competitors for professional, administrative, and scientific positions of a high level. Category ratings shall not be used in the case of competitors for positions in the field service of the Post Office Department.

(10) Page 6, line 3, strike out "on" and insert in lieu thereof "in".

(11) Page 7, line 11, strike out "entitled to ten points preference" and insert in lieu thereof "included under section 2 (1), (2), (3), (5), and (6)".

(12) Page 9, line 18, strike out "examinations" and insert in lieu thereof "examinations."

(13) Page 11, after line 2, insert the following:

SEC. 14. The selection of persons under this Act, and the promotion of officers and employees to higher positions, shall be made on the basis of merit and efficiency.

(14) Page 11, after amendment (12), insert the following:

SEC. 15. The provisions of Reorganization Plan Numbered 5 of 1949 shall apply with respect to the performance of functions of the Commission under this Act.

(15) Page 11, line 3, strike out "14" and insert in lieu thereof "16".

(16) Page 11, line 6, strike out "15" and insert in lieu thereof "17".

(17) Page 11, line 8, strike out "16" and insert in lieu thereof "18".

#### PURPOSE OF AMENDMENTS

The purpose of the amendments is as follows:

Amendment (1) is merely a perfecting amendment changing the reference to a subsection so that it refers to the appropriate subsection.

Amendment (2) places a responsibility upon each department of the Government to assist the Civil Service Commission in maintaining and protecting the competitive civil service system, rather than placing the full responsibility on the Commission.

Amendment (3) adds a new subsection (b) to section 3 which provides for facilitating the recruitment of the best qualified and available personnel during a national emergency declared by the President or by concurrent resolution of the Congress.

Amendment (4) is a technical amendment changing subsection (b) of section 3 to subsection (c) of section 3.

Amendment (5) is a perfecting amendment changing the language of new subsection (c) of section 3 so that the Commission may exercise such supervision and direction as may be necessary for it to discharge its duty and responsibility under the legislation.

Amendment (6) strikes out subsection (c) of section 3 of the original bill, and this language, with slight modifications, is placed in section 6 as a new subsection (c).

Amendment (7) is a perfecting amendment to subsection (b) of section 6 which is required in order to make the language of the bill consistent in view of amendment (8).

Amendment (8) adds a new subsection (c) to section 6, the substance of which was contained in subsection (c) of section 3 of the original bill, and provides that the Civil Service Commission may exercise certain authority and responsibility with respect to recruiting, examining, and certifying persons for competitive civil service positions in the event a department does not conduct its operations in compliance with an employment plan or with civil service rules and regulations.

Amendment (9) changes the language of section 8 with respect to category ratings by specifically providing for outstanding, well-qualified, qualified, and unqualified ratings in each category rating and by stating that category ratings shall be used in the case of competitors for high-level professional, administrative, and scientific positions.

Amendment (10) is solely a perfecting amendment which changes the preposition "on" to "in".

Amendment (11) is a perfecting amendment which does not change the intent but substitutes language more descriptive of veterans entitled to 10 points preference when used in connection with category ratings.

Amendment (12) is a perfecting amendment made necessary by reason of the omission of a comma.

Amendment (13) adds a new section to the bill enunciating the policy that the selection of persons under the legislation and the promotion of employees to higher positions shall be made on the basis of merit and efficiency.

Amendment (14) adds a new section to the bill made necessary by reason of a decision of the Attorney General which stated that reorganization plans affecting the departments and agencies are not prospective. The new section provides that the reorganization plan effective August 20, 1949, relating to the Civil Service Commission, should apply with respect to the performance of functions of the Commission under the legislation.

Amendments (15), (16), and (17) are solely perfecting amendments which are necessary by reason of the addition of new sections to the bill.

#### STATEMENT

The purpose of the bill, as amended by the committee, is to provide for a more efficient, economical, and effective recruitment, examination, and certification procedure for the selection of persons for positions in the competitive Federal civil service; and, at the same time, insure that the selection of such personnel is made on the basis of open competition and merit.

The bill provides for carrying out the most important recommendations of the Commission of the Organization of the Government (hereinafter referred to as the Hoover Commission) relating to Federal personnel management.

Under the proposed legislation, which is to be known as the Federal Personnel Recruitment Act of 1950, it would be the primary responsibility of the departments and agencies of the Government to prepare employment plans in compliance with standards prepared and published by the Civil Service Commission. Upon approval by the Civil

Service Commission, such plans would outline the procedures under which persons would be recruited, examined, and certified to fill certain competitive civil service positions in the departments and agencies. The recruiting, examining, and certifying activities in connection with those competitive positions not included in employment plans would be the sole responsibility of the Civil Service Commission.

The Hoover Commission recommended that primary responsibility for recruiting and examining Federal employees should be placed in the departments and agencies. This legislation establishes a decentralized system for the recruitment, examination, certification, and selection of Federal employees in accordance with this recommendation.

The legislation authorizes the grading of civil-service examinations by numerical ratings, as is the practice under present law; or by category ratings of outstanding, well qualified, qualified, and unqualified; except that category ratings are not to be used in the case of competitors for positions in the field service of the Post Office Department. The selection of persons from registers established on a category rating basis shall be governed by the provisions of the Veterans' Preference Act of 1944, as amended and supplemented, in the same manner and to the same extent as the selection of persons from civil-service registers under present law.

Under the bill, the Civil Service Commission or the departments and agencies under employment plans determine whether category ratings shall be used on any type of examination. However, the bill states that in connection with high-level professional, administrative, and scientific positions, category ratings shall be used except under unusual circumstances. In general the committee believes that the use of category ratings should be restricted to high-level positions.

The bill continues the present system of numerical ratings which would be used to rate examinations for most competitive civil-service positions. Except in the case of the field service of the Post Office Department, the legislation enlarges the selection from the "rule of three" to a "rule of five," when greater latitude is required by the appointing officers. This carries out the recommendation of the Hoover Commission which stated that appointing officers in the departments and agencies should be given "more leeway than the present 'rule of three' in selecting Federal employees."

When civil service registers are established on the basis of category ratings, appointing officers, under the provisions of the bill, are entitled to consider at least five eligibles for each vacancy.

The bill, as amended, provides that at the direction of the President, the Civil Service Commission is authorized during a national emergency declared by proclamation or by concurrent resolution of Congress, to take action in order to expedite and facilitate the recruitment of the best qualified and available personnel.

In addition, the legislation authorizes and directs the Civil Service Commission to facilitate the transfer of Federal employees between departments and agencies as an aid to more effective governmental administration. This carries out another recommendation of the Hoover Commission.

The legislation provides that in the case of examinations for which the Civil Service Commission expects competition to be greatly in excess of the needs of the Federal service, it may take such action, consistent with the principles of good administration and open

RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE 5

competition, to limit the number of persons permitted to compete for positions to such number as is reasonably required to meet economically and effectively the needs of the service for qualified and capable employees.

Also, the bill provides that, subject to the Federal Reports Act of 1942, the Civil Service Commission shall provide for the maintenance and preservation of personnel records, including the records of examinations, either by the Commission or by the departments and agencies, or by both, as the Commission may determine.

The committee included a section in the bill outlining congressional policy that in the selection of persons under the act and in the promotion of employees to higher positions, such selection and promotion shall be based on merit and efficiency. This section is not designed to affect existing law with respect to within-grade or longevity step increases under the Classification Act of 1949 or so-called automatic, meritorious, or longevity increases under the salary laws applicable to employees in the field service of the Post Office Department.

The committee believes the general policy of the legislation implements the first recommendation of the Hoover Commission with respect to Federal personnel management which stated:

The Civil Service Commission should place primary emphasis on staff functions rather than upon processing a multitude of personnel transactions.

Another recommendation of the Hoover Commission which is adopted in the legislation requires the Civil Service Commission to develop standards for personnel operations in the executive departments and agencies.

Existing law with respect to veterans' preference is retained without change in the legislation. However, by reason of the adoption of a new type of rating known as the category rating, the bill provides, in accordance with Hoover Commission recommendations, that applicants for civil-service positions which are filled on a category rating basis will be grouped so that within each quality category veterans will be considered ahead of nonveterans. As is provided in the Veterans' Preference Act, disabled veterans entitled to 10-point preference will go to the top of the highest (outstanding) category.

The legislation covers all Government departments and agencies in which there are competitive positions subject to the Civil Service Act of 1883, as amended and supplemented.

Through periodic inspections, at least on an annual basis, the Civil Service Commission is authorized, under the provisions of the bill, to determine whether the departments and agencies are complying with the employment plans. The Commission is authorized to revise, supplement, or abolish existing standards, or when necessary withhold, withdraw, or suspend its approval of any employment plan or part thereof, whenever such plan does not meet the standards prepared by the Commission.

Also, the bill as amended provides that the Civil Service Commission may exercise authority and assume primary responsibility over recruiting, examining, and certifying persons for competitive civil service positions in the event a department does not conduct its operations in compliance with an employment plan or with civil service rules and regulations. Under this alternative arrangement the employment plan would remain in effect, but noncompliance with such

6 RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE

plan or with civil service rules and regulations would be remedied under a certificate issued by the Commission to the department or agency affected. Action in compliance with such certificate would be mandatory on such department or agency.

Any competitor for selection to a competitive civil service position, shall, upon written request to the Civil Service Commission, be entitled as a matter of right to a review by the Commission of any action taken by the departments and agencies in connection with their operation of employment plans.

The President is authorized to issue such civil-service rules and the Civil Service Commission is authorized to issue such regulations as are necessary for the administration of the bill. Also, the Commission is responsible for conducting investigations regarding all operations under the legislation, and the commission shall take such corrective action as appears necessary.

Finally, the bill provides that the provisions of Reorganization Plan No. 5 of 1949, which relates to the Civil Service Commission, shall apply with respect to the performance of functions of the Commission under this legislation.

As stated by the Hoover Commission, the committee believes this legislation will result in substantial savings for the Federal Government. The committee is certain the legislation will improve and make more efficient the recruitment, examination, certification, and selection of persons for the more than 1,700,000 competitive civil-service positions in the Federal Government.

Extensive hearings were conducted by the House Post Office and Civil Service Committee with respect to this subject at which time representatives of the Civil Service Commission, Bureau of the Budget, Hoover Commission, Citizens Committee for the Hoover Report, United States Chamber of Commerce, and others appeared and endorsed the legislation.

Former Civil Service Commissioner Arthur S. Flemming, who was a member of the Hoover Commission, offered certain proposed amendments to the legislation, most of which were adopted by the committee and have been included in the bill. At the conclusion of Mr. Flemming's testimony representatives of the United States Chamber of Commerce stated that the bill would be a "major step in the right direction," and representatives of the Citizens Committee for the Hoover Report stated the legislation was a "tremendous step forward."

It is the view of the committee that enactment of the bill will substantially improve the operations of the Federal civil service. (A detailed section-by-section analysis of the legislation appears in appendix A.)

In connection with this legislation, the committee deems it advisable to outline legislative and administrative action which has been taken with respect to carrying out the recommendations of the Hoover Commission regarding Federal personnel management.

Reorganization Plan No. 5 of 1949, which became effective August 20, 1949, carried out the recommendations of the Hoover Commission with respect to the reorganization of the Civil Service Commission. This reorganization which received the approval of Congress, among other things, provided for a more effective operation of the Commission by vesting responsibility for the administrative direction of the Commission's work in the Chairman.

RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE 7

Title X of the Classification Act of 1949, approved October 28, 1949, carries out the recommendation of the Hoover Commission which proposed the rewarding of Government administrators and supervisors for actions which reduce the number of persons on the Federal payroll.

The Classification Act of 1949 also raised the salary ceiling of \$10,330 per annum for Federal career employees to \$14,000 per annum, which is in accordance with another recommendation of the Hoover Commission.

Public Law 359, Eighty-first Congress, increased the salaries of the heads and assistants heads of the executive departments and agencies of the Government in accordance with another recommendation of the Hoover Commission.

H. R. 7824, which was approved by the House Post Office and Civil Service Committee on May 29, 1950, and passed the House on June 19, 1950, carries out the recommendations of the Hoover Commission stating that the efficiency-rating system should be simplified and should be used to promote a better understanding between supervisors and employees.

H. R. 2446, which revises the reduction-in-force procedures in the Federal service, is presently under consideration by a subcommittee of the committee. This legislation is designed to carry out another recommendation of the Hoover Commission.

On April 13, 1950, the Civil Service Commission, at the direction of the President, initiated a Federal employee promotion program to carry out the recommendation of the Hoover Commission which stated that the departments and agencies should be required, under the direction of the Civil Service Commission, to work out specific programs for promoting career employees.

As has been stated above, the committee believes that the remaining important recommendations of the Hoover Commission relating to the Federal civil service which require congressional action are embodied in this bill (H. R. 8925).

The reports of the Civil Service Commission dated June 27, 1950, and July 7, 1950, and the Bureau of the Budget dated June 27, 1950, are as follows:

UNITED STATES CIVIL SERVICE COMMISSION,  
Washington 25, D. C., June 27, 1950.

HON. TOM MURRAY,  
Chairman, Committee on Post Office and Civil Service,  
House of Representatives, Washington 25, D. C.

DEAR MR. MURRAY: In accordance with your request of June 22, the Commission submits the following report on H. R. 8925, a bill relating to recruitment, examination, and certification procedures for the competitive civil service.

This bill in our opinion represents a merging of the best features of the recruitment and examination recommendations of the Commission on Organization of the Executive Branch with present civil service procedures. The rating of competitors by categories, as recommended by that Commission, is provided for, but only for such positions as are determined by the Civil Service Commission. For other positions the bill retains the present method of numerical rating, with selection according to the "rule of three." In addition, the bill authorizes a new method of selection according to the "rule of five," within the discretion of the Commission.

This discretion in the types of examination rating and selection methods would allow the Commission ample flexibility for prescribing the one most appropriate according to the type of position to be filled. The present rule of three has not proved entirely satisfactory for certain scientific, professional, and administrative positions in the higher grades. Such positions require qualities of experience and

8 RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE

personality that are not entirely subject to precise measurement. Therefore, the appointing officer needs a greater choice of candidates than he does for routine positions where precise and valid tests can be used.

If this bill is enacted, the Commission would proceed with due caution in prescribing the category method of rating by limiting its use originally to a relatively few specialized positions where its use seems most appropriate. Actual experience in its use would serve as a guide in considering extending the system to additional positions.

The bill makes no changes in present law affecting the rights of veterans in rating in examinations or ranking on registers when numerical rating is used. Section 7 of the present Veterans' Preference Act is rewritten as new section 7 (a), in the interest of clarity, but no changes in substance are made. Section 7 (b) is added to apply the principles of veteran preference to the category method of rating, following a pattern which is similar to that used for numerical rating.

H. R. 8925 establishes a clearly defined relationship between the Commission and the departments by means of "employment plans" which will specify those positions for which the departments will recruit, examine, and certify personnel and the methods to be used. The Commission would continue to recruit, examine, and certify persons for all competitive positions not covered by employment plans, and would also retain control over departmental operations under employment plans. The bill emphasizes the Commission's basic responsibility for maintaining and protecting a system of open competition and selection on merit throughout the competitive civil service. It contains the following safeguards for protection of the merit system:

(1) The Commission would approve departmental employment plans under its standards, which it could change at any time. Operation of the plans would be subject to the Commission's supervision and direction. The Commission could modify any action taken by a department under such a plan.

(2) In addition to the supervision and direction mentioned above, the Commission would review the operation of employment plans at least annually, and would report its findings to the department head.

(3) The Commission could withdraw its approval of an employment plan if it did not meet standards.

(4) When requested, the Commission would review examination ratings assigned competitors under employment plans.

(5) The Commission from time to time would make such investigations respecting operation of the proposed act as it deemed necessary.

The Commission endorses the provisions of section 11, regarding the establishment of uniform standards and procedures for the personnel operations of the departments. This conforms to a recommendation of the Commission on Organization.

The Commission also endorses section 12, which provides a system for facilitating transfers of specialized personnel on request of agencies as an aid to more effective governmental operation. This is in accordance with a recommendation of the Commission on Organization.

In conclusion, we believe that H. R. 8925 gives promise of improvement in Federal personnel administration by permitting a greater degree of flexibility in recruitment and examination procedures, under appropriate safeguards for protection of the merit system.

This report has been approved by the Bureau of the Budget as being in accord with the program of the President.

By direction of the Commission.

Sincerely yours,

HARRY B. MITCHELL, *Chairman.*

UNITED STATES CIVIL SERVICE COMMISSION,  
Washington 25, D. C., July 7, 1950.

Hon. TOM MURRAY,  
*Chairman, Committee on Post Office and Civil Service,  
House of Representatives, Washington, D. C.*

DEAR MR. MURRAY: In an earlier letter the Commission endorsed H. R. 8925 as written. In the hearings on H. R. 8925 held subsequently a number of amendments were suggested by Dr. Arthur S. Flemming, a member of the Hoover Commission, before your committee on Saturday, July 1, 1950.

To a majority of the amendments suggested the Commission has no objection. However, we wish to call your attention to three of the suggested amendments.



RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE 9

Dr. Flemming suggested that H. R. 8925 be amended by inserting the words "and the departments" after the word "Commission" in line 8, page 2. Dr. Flemming indicated that it was desirable to place on the departments a responsibility for maintaining the competitive merit system. With his expressed purpose we are in complete accord. However, we believe that the actual words used may be interpreted as giving the departments coequal authority with the Commission in the administration of the merit system. This amendment is not desirable since responsibility wide spread leaves no one agency finally responsible. We believe it necessary to make it clear in the bill that the Commission continues to have the primary responsibility for the administration of the merit system. We, therefore, recommend the insertion after the word "Commission" in line 8, page 2, the words "with the assistance of each department."

Dr. Flemming also suggested that H. R. 8925 be amended by striking out the words "as the Commission deems necessary" in line 25, page 2, and inserting in lieu thereof the words "as may be necessary in order to discharge the responsibilities assigned to the Commission under this act." We respectfully call to your attention that the Commission has major responsibilities placed on it by law in other acts, specifically the Civil Service Act and the Veterans' Preference Act of 1944, as amended. We, therefore, believe that it would be highly desirable to strike out the words "under this act" from Dr. Flemming's suggested amendment and insert in lieu thereof the words "by law." The last sentence of section 3 (b) would then read "all operations of a department under any employment plan shall be subject to such supervision and direction by the Commission as may be necessary in order to discharge the responsibilities assigned to the Commission by law."

The third amendment suggested by Dr. Flemming to which the Commission here refers is one he suggested for inclusion at the end of line 21, page 3 as follows: "Provided, That, in making such determinations the Commission, except under unusual circumstances, shall provide for inclusion in employment plans of all high level scientific, professional and administrative positions and all positions peculiar to the agency."

This would nullify to a large extent the discretion granted the Commission earlier in section 4 (a) (1) to determine "with due regard to the effectiveness of the operations of the departments and to the best interests of the Government those competitive civil service positions which shall be subject to recruitment, examination, and certification by the Commission and those positions which shall be subject to employment plans." The Commission is strongly of the opinion that in order to achieve the stated purpose of section 4 (a) (1) it must continue to have the discretion originally proposed under section 4 (a) (1). Otherwise, it is felt that it would be required to consent to confusing, overlapping, and uneconomical recruitment programs. Obviously where a position regardless of its level and minor peculiarities is common to many agencies it would be confusing and uneconomical to recruit for it by separate examinations in each agency. We, therefore, recommend that this amendment not be accepted.

In view of the need of making immediate comment on the proposed amendments the Commission has not determined from the Bureau of the Budget the relationship of this report to the program of the President.

By direction of the Commission.

Sincerely yours,

HARRY B. MITCHELL, *Chairman.*

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington 25, D. C., June 27, 1950.

MY DEAR MR. MURRAY: This will acknowledge receipt of your letter of June 22, 1950, inviting the Bureau of the Budget to comment on H. R. 8925, a bill to provide a recruitment procedure for the competitive civil service in order to insure selection of personnel on the basis of open competition and merit, and for other purposes.

The purpose of this bill is, in general, to provide, for the agencies now governed by the Civil Service Act of 1883, a recruitment, examination, certification, and selection procedure suited to the size, complexity, and operating tempo of today's Government. The Commission on Organization of the Executive Branch of the Government, in its Report on Personnel Management (Hoover report) made important recommendations concerning the improvement of the civil-service recruitment process. H. R. 8925 provides a practical method for modernizing the recruitment process and for carrying those recommendations into effect.

10 RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE

At the same time that the bill authorizes greater participation in the recruitment process by the agencies, it throws new and effective safeguards around that process by requiring the Civil Service Commission (1) to set standards for the entire recruitment process, (2) to supervise and direct the operation of that process, (3) to inspect operations under the proposed law and, if need be, to compel the agencies to conform to the law, and to the civil-service rules and regulations, (4) to review any recruitment action at the request of any competitor for selection to a position in the competitive civil service, (5) to move into any recruitment operation, and take over recruitment, examination, and certification, and to require the agencies to change any previously taken action, if need be. The bill thus authorizes the use of the most effective recruitment methods, substantially as recommended by the Hoover Commission, yet gives practical and effective assurance that such recruitment methods will result in open competition and selection on merit.

The procedure provided in this bill builds on the fundamental principle recommended by the Hoover Report on Personnel Management:

"Primary responsibility for recruiting and examining Federal employees should be placed on the departments and agencies.

"This should be done with the understanding that recruiting and examining programs must be approved by the Civil Service Commission before they are put into effect, and with the further understanding that the actual conduct of the programs will be subject to inspection by the Commission in order to determine that there has been adherence to the Civil Service Act and the Veterans Preference Act."

The procedure set up in H. R. 8925 (secs. 3, 4, 5, 6, and 10) provides that the departments shall submit "employment plans" for Civil Service Commission approval, under civil-service rules, regulations, and standards pertaining to such plans. When approved, departmental operations under the plans are subject to at least an annual inspection by the Commission. The Commission may withhold, withdraw, or suspend its approval of any plans, when such plans, or operations thereunder, do not meet the Commission's standards and regulations. In such cases the Commission may take over the recruitment operation itself, or make other suitable arrangements. The Commission is authorized to recruit, examine, and certify persons for selection in any department and to modify or change any action previously taken by a department. This authorization, for recruiting and examining, parallels a similar authorization, for position classification, which was included in the Classification Act of 1949, and it is desirable.

We believe, however, that the provision now included in the bill as section 3 (c) should be transferred to become section 6 (c). This would place this subsection in the same section with related parts of the bill concerning investigation and control by the Civil Service Commission. We also believe that before the Commission takes any action authorized by this subsection, it should be required to find that a department is not operating in accordance with an approved employment plan and with the civil service laws, rules, and regulations. We believe this section should read:

"Sec. 6. (c) Whenever the Civil Service Commission shall find that the departments are not operating in accordance with an approved employment plan and the civil-service laws, rules, and regulations, the Commission shall have authority (1) to recruit, examine, and certify persons for selection and appointment to competitive civil-service positions which are subject to an approved employment plan, and (2) to modify or change any action taken or procedure followed by a department under an approved employment plan. The Commission shall certify to such department any such action taken by the Commission under this subsection. The department shall take action in accordance with such certificate and such certificate shall be binding on the department."

One further amendment which we believe would give greater emphasis and clarity would be the addition of the phrase "Government-wide" before "system of recruitment," etc., in line 8 on page 2. This emphasizes that the system of recruitment here authorized is intended to be operative not merely in the Civil Service Commission but in all Government departments.

H. R. 8925 would take further steps toward providing the most effective recruitment procedure for the Government. It would allow the Commission (sec. 7), with due regard to the principles of open competition, to take suitable steps to hold the number of competitors for positions to manageable numbers reasonably required to meet economically and effectively the needs of the Government for capable, qualified employees. Competition for civil service positions must be open. At the same time, spending large sums to process great volumes of applica-

RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE 11

tions and examinations in order to make relatively few appointments is neither economical nor beneficial to Government management. The cost per appointment is thus raised and the quality of appointment does not seem to be correspondingly raised by an increase in the number of applicants. During the passage of time involved in processing excessive numbers of applications, qualified applicants often take other jobs. Meanwhile, vacant jobs mean Government work delays. Entirely equitable methods can be utilized to keep expense down and will have the added advantage of avoiding raising false hopes in competitors, which can only lead to disappointment and misunderstanding. Although not specifically recommended by the Hoover report, this provision is based on the long experience of the Civil Service Commission.

Another step proposed in H. R. 8925 (sec. 9) and based on the Hoover Report on Personnel Management pertains to the use of a category type of rating instead of a numerical type of rating. The category rating would be similar to the familiar American school ratings of "A", "B", "C", and "D" and would be used for those positions where fine rating distinctions among competitors, such as "81.4" and "81.5", would be unrealistic.

Then H. R. 8925 (sec. 9) authorizes the Civil Service Commission, as recommended by the Hoover Report on Personnel Management, to permit appointing officers to make selections from among the highest three available names on registers of eligibles for appointments to certain types of positions, from among the highest five in other types, and from categories when that type of rating has been authorized. The Hoover report pointed out, in discussing the use of the category rating, that "Selections would still be made on the basis of merit but a much better job could be done in fitting people into those jobs for which they are best qualified."

Next, H. R. 8925 (sec. 9) would make the necessary adjustments in language in the Veterans' Preference Act of 1944 to assure that the veteran is afforded the same preference under the new recruitment procedures as under the existing procedure.

Personnel records, forms, practices, and procedures and operations are made subject to Civil Service Commission regulation in section 11 of H. R. 8925. This section pertains to the recommendation of the Hoover report that the Civil Service Commission be required to develop standards for the operation of agency personnel offices. Under existing law the Commission has no discretion as to how such matters shall be administered. Administrative discretion is essential if every advantage is to be taken of modern management methods. Section 11 wisely prescribes no fixed method of records and procedures, but places squarely on the Civil Service Commission the responsibility for so doing, subject to review by the Bureau of the Budget under the Federal Reports Act of 1942. Individual departments, attempting in the past to achieve some measure of uniformity and rationalization in their personnel records and procedures, have simplified their operations and reduced their expenditures by many thousands of dollars. Until detailed investigations can be undertaken by the Civil Service Commission under this proposed feature of H. R. 8925, no firm estimates of savings can be made, but it is plain they can be substantial.

H. R. 8925 (sec. 12) authorizes the Civil Service Commission to help an agency to locate qualified civil service officers and employees in other agencies for positions requiring special competence, when so requested. This follows through on one of the most important points emphasized in the recommendations of the Hoover report; namely, the recommendation pertaining to the development of career civil service people through experience and training before they are given higher executive and professional assignments. The purpose of career development is to have experienced, mature people available when they are needed and experience in more than one agency is often becoming an essential.

If enacted, H. R. 8925 would provide an important basis for implementing that portion of the Hoover Report on Personnel Management pertaining to recruitment and placement and related matters. The Bureau of the Budget recommends the provisions of H. R. 8925 to the favorable consideration of your committee, if modified as suggested.

Sincerely yours,

F. J. LAWTON, Director.

Hon. TOM MURRAY,  
Chairman, Committee on Post Office and Civil Service,  
House of Representatives, Washington 25, D. C.

12 RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

VETERANS' PREFERENCE ACT OF 1944

**[Sec. 3.** In all examinations to determine the qualifications of applicants for entrance into the service ten points shall be added to the earned ratings of those persons included under section 2 (1), (2), (3), (5), and (6), and five points shall be added to the earned ratings of those persons included under section 2 (4) of this Act:**]**

*Sec. 3. In those examinations to determine the qualifications of applicants for entrance into the service in which applicants are rated numerically, ten points shall be added to the earned ratings of those persons included under section 2 (1), (2), (3), (5), and (6), and five points shall be added to the earned ratings of those persons included under section 2 (4) of this Act, and on those examinations in which applicants are rated by categories such persons shall receive the preference provided by section 7 (b) of this Act:*

**[Sec. 7.** The names of preference eligibles shall be entered on the appropriate registers or lists of eligibles in accordance with their respective augmented ratings, and the name of a preference eligible shall be entered ahead of all others having the same rating: *Provided, That, except for positions in the professional and scientific services for which the entrance salary is over \$3,000 per annum, the names of all qualified preference eligibles, entitled to ten points in addition to their earned ratings shall be placed at the top of the appropriate civil-service register or employment list, in accordance with their respective augmented ratings.***]**

*Sec. 7. (a) For professional and scientific positions for which the entrance salary is over \$3,000 per annum and for which eligibles are rated numerically, the names of preference eligibles shall be entered on the appropriate civil-service registers of eligibles in accordance with their respective augmented ratings and ahead of all eligibles having the same rating who are not entitled to preference. For all other positions for which eligibles are rated numerically, the names of eligibles entitled to ten points preference shall be entered at the top of the appropriate civil-service registers in accordance with their respective augmented ratings, and the names of eligibles entitled to five points preference shall be entered on such registers of eligibles in accordance with their respective augmented ratings and ahead of all eligibles having the same rating who are not entitled to preference.*

*(b) For professional and scientific positions for which the entrance salary is over \$3,000 per annum and for which eligibles are rated by categories, the names of preference eligibles shall be entered on the appropriate civil-service registers of eligibles in accordance with their respective category ratings and ahead of all others in the same category. For all other positions for which eligibles are rated by categories, the names of preference eligibles shall be entered on the appropriate civil-service registers of eligibles in accordance with their respective category ratings and ahead of all others in the same category, except that the names of eligibles entitled to ten points preference shall be entered at the top of the highest category.*

**[Sec. 8.** When, in accordance with civil-service laws and rules, a nominating or appointing officer shall request certification of eligibles for appointment purposes, the Civil Service Commission shall certify, from the top of the appropriate register of eligibles, a number of names sufficient to permit the nominating or appointing officer to consider at least three names in connection with each vacancy. The nominating or appointing officer shall make selection for each vacancy from not more than the highest three names available for appointment on such certification, unless objection shall be made, and sustained by the Commission, to one or more of the persons certified, for any proper and adequate reason, as may be prescribed in the rules promulgated by the Civil Service Commission:**]**

*Sec. 8. (a) When in accordance with civil-service laws and rules, a nominating or appointing officer requests certification of eligibles for appointment purposes, there shall be certified, from the top of the appropriate civil-service register of eligibles, such number of names as may be necessary to permit such officer to make a selection for each vacancy in the manner provided by this section.*

(b) When eligibles have been rated numerically, the nominating or appointing officer shall be entitled to consider at least three eligibles for each vacancy and shall make selection from not more than the highest three eligibles available for appointment on certification. Provided, That the Civil Service Commission may by regulation provide that with respect to certain positions, not including positions in the field service of the Post Office Department, the nominating or appointing officer shall be entitled to consider at least five eligibles for each vacancy and shall make selection from not more than the highest five eligibles available for appointment on certification.

(c) When eligibles have been rated by categories, the nominating or appointing officer shall be entitled to consider at least five eligibles for each vacancy and shall make selection from the highest category. The Commission shall prepare standards for determining when the number of eligibles in any category or categories to be considered is insufficient or excessive. If, under such standards, there is an insufficient number of eligibles in the highest category, eligibles in the next highest category or categories shall also be considered for selection. If, under such standards, there is an excessive number of eligibles in the category or categories to be considered, the officer shall make selection from such lesser number of eligibles in such category or categories as may be determined to be sufficient under such standards. Selection of a nonpreference eligible shall not be made in any case if there are available for selection the names of at least five preference eligibles in the same or a higher category.

(d) A nominating or appointing officer shall not be required to consider an eligible for selection if objection to such eligible shall be made and sustained for any proper and adequate reason under regulations prescribed by the Civil Service Commission.

#### APPENDIX A

##### ANALYSIS OF H. R. 8925 BY SECTIONS

Section 1 provides that the legislation shall be cited as the "Federal Personnel Recruitment Act of 1950."

Section 2 defines the terms "department," "Commission," and "employment plan" as used in the bill and indicates that the coverage of the proposed bill is coextensive with the coverage of the Civil Service Act.

Section 3 (a) makes clear the Civil Service Commission's duty and responsibility to maintain and protect a system of recruitment, examination, certification, and selection for the competitive civil service which will result in open competition and selection on merit. It also makes clear that each department shall assist the Commission in this duty and responsibility.

Section 3 (b) permits the Commission, during a national emergency, to modify or set aside the principle of open competition as necessary in order to facilitate recruitment of the best qualified and available personnel.

Section 3 (c) requires departments to prepare and submit "employment plans" to the Commission for approval and upon approval to operate under such plans subject to the direction and supervision of the Commission. Two or more departments may jointly submit and operate such an employment plan.

Section 4 requires the Commission to determine what positions may be recruited for under employment plans and what positions shall be recruited for directly by the Commission, and to establish standards which may be revised from time to time for the establishment and operation of employment plans. Such standards shall be published in such form as the Commission may determine.

Section 5 requires the Civil Service Commission to recruit, or make appropriate alternative arrangements for recruitment, for positions not covered by employment plans.

Section 6 (a) requires the Commission to review the operations of agencies under employment plans at least annually.

14 RECRUITMENT PROCEDURE FOR COMPETITIVE CIVIL SERVICE

Section 6 (b) grants authority to the Commission to withhold, withdraw, or suspend any employment plan or any part thereof whenever it finds that the plan does not meet the Commission's standards.

To retain effective control of recruitment in the Commission, section 6 (c) provides that whenever agency operations under employment plans do not conform to the plan or to civil-service rules and regulations, the Commission may recruit, examine, and certify for positions which have been included in an employment plan, and may modify any action taken by a department under such a plan.

In order that the Commission may avoid an excessive workload in recruitment, section 7 grants the Commission authority to control competition in those examinations for which it expects competition to be greatly in excess of the needs of the service. Any such measures must be taken with due regard to the principle of open competition.

Section 8 authorizes the use of two alternative rating methods, either numerically on a scale of 100, or by the categories "outstanding," "well qualified," "qualified," and "unqualified." Except under unusual circumstances, category ratings shall be used for professional, administrative, and scientific positions of a high level, but the numerical rating system is retained for positions in the field service of the Post Office Department.

Section 9 amends sections 3, 7, and 8 of the Veterans' Preference Act to conform with the use of category, as well as numerical rating methods. The procedures for ranking of eligibles on registers and selection of appointees retain substantially the relative preference of veterans now provided in the Veterans' Preference Act. Where the numerical rating method is used, the procedures in the Veterans' Preference Act for ranking eligibles on registers is followed and the Commission is granted authority to permit selection of eligibles either from among the top three eligibles or from among the top five eligibles on the appropriate register. Selections for field postal positions shall be from the top three eligibles.

Where the category rating method is used, eligibles are to be entered on the appropriate registers in accordance with their category ratings. However, in each category the names of veterans are to precede the names of nonveterans. In addition, for all registers except those for professional positions paying \$3,000 per annum or more, the names of all disabled veteran eligibles are to be placed at the top of the highest category. Under the category method of rating, an appointing officer may select any eligible in the highest category, except that he may not select a nonveteran if there are five or more veterans in the same or a higher category. The Civil Service Commission is given authority to promulgate standards enlarging or restricting the number of eligibles to be considered when the consideration of all eligibles in one category only would be insufficient or excessive.

No change is made in the present provisions of the Veterans' Preference Act relating to the filing of reasons by an appointing officer when he passes over a veteran and selects a nonveteran.

The attached charts present a comparison of the ranking of eligibles on civil-service registers under numerical rating and under category rating as required under the proposed bill. (The illustrations of ranking under numerical rating conform with the practice under present law.)

Section 10 gives applicants for competitive positions the right to a review of their examination ratings by the Civil Service Commis-

sion. This would apply to ratings made by the departments under employment plans and to ratings by the Commission.

Section 11 authorizes the Commission to provide for maintaining personnel records either by the Commission or by the departments, or by both, as the Commission may determine. It also gives the Commission authority after consultation with the departments, to establish uniform standards and practices, or otherwise regulate the personnel operations of the departments.

Under section 12 the Commission is directed to facilitate the transfer of Federal employees with special qualifications to positions requiring such qualifications, by referring names upon the request of any department. This is to be done when it will aid more effective governmental administration.

Section 13 (a) authorizes the President to issue civil-service rules and the Commission to issue regulations for the administration of the act.

Under the provisions of section 13 (b) the Commission is directed to make such investigations from time to time respecting the operation of the act as it deems necessary and to take necessary corrective action in the light of such investigations.

Section 14 requires that all selections of persons under the act and promotions of officers and employees to higher positions shall be made on the basis of merit and efficiency.

Section 15 applies the provisions of Reorganization Plan No. 5 of 1949 (reorganization of the Civil Service Commission) to this act.

Section 16 authorizes the appropriation of such sums as may be necessary to carry out the provisions of the act.

Section 17 repeals all laws or parts of laws inconsistent with the act to the extent of their inconsistency.

Section 18 provides that the act will take effect on the ninetieth day after enactment.

ARRANGEMENT OF REGISTERS OF ELIGIBLES FOR ALL POSITIONS *EXCEPT* PROFESSIONAL AND SCIENTIFIC POSITIONS WITH ENTRANCE SALARIES OF \$3,000 PER ANNUM OR ABOVE

NUMERICAL RATING

All 10-point preference eligibles with ratings from 70 to 110 (including the 10 additional points) arranged in order of ratings.

Five-point preference eligibles and nonpreference eligibles arranged in order of ratings. (Ratings include five additional points for nondisabled veterans.)

(Tied ratings are broken by placing preference eligibles ahead of nonpreference eligibles.)

CATEGORY RATING

*"Outstanding" category*

All 10-point preference eligibles rated "outstanding," "well qualified," or "qualified."

Five-point preference eligibles rated "outstanding."

Nonpreference eligibles rated "outstanding."

*"Well-qualified" category*

Five-point preference eligibles rated "well qualified."

Nonpreference eligibles rated "well qualified."

*"Qualified" category*

Five-point preference eligibles rated "qualified."

Nonpreference eligibles rated "qualified."

ARRANGEMENT OF REGISTERS OF ELIGIBLES FOR SCIENTIFIC AND PROFESSIONAL  
POSITIONS WITH ENTRANCE SALARIES OF \$3,000 PER ANNUM OR ABOVE

NUMERICAL RATING

All eligibles, including 10-point preference eligibles, 5-point preference eligibles, and nonpreference eligibles, arranged in order of ratings. (Ratings include 10 additional points for disabled veterans and certain wives, widows, and mothers of veterans and 5 additional points for nondisabled veterans.)

(Tied ratings are broken by placing preference eligibles ahead of nonpreference eligibles.)

CATEGORY RATING

*"Outstanding" category*

Ten-point and five-point preference eligibles rated "outstanding."  
Nonpreference eligibles rated "outstanding."

*"Well-qualified" category*

Ten-point and five-point preference eligibles rated "well qualified."  
Nonpreference eligibles rated "well qualified."

*"Qualified" category*

Ten-point and five-point preference eligibles rated "qualified."  
Nonpreference eligibles rated "qualified."

○